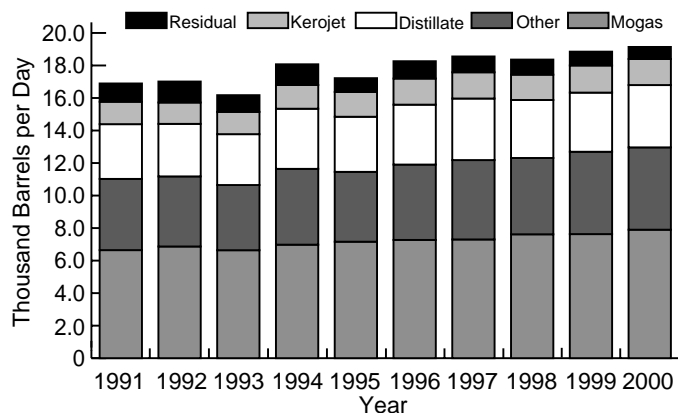


Highlights

After an amazing 106 months of growth the Nation's economy shows no signs of slowing as the latest economic data reveal continued low unemployment, modest inflation, and favorable figures for the manufacturing industry.¹ Reflective of the strong economy, total demand for refined petroleum products, measured as product supplied, averaged 19.1 million barrels per day in January² (Table H1). This is the highest average for this time of year since the record set in 1979 (Figure H1). A cold snap in the Northeast, which spurred significant demand for distillates, along with strong demand for motor gasoline was behind much of this increase.

While temperatures across the U.S. were on average warmer than normal, 9.6 percent warmer than normal and slightly warmer than last January, temperatures were colder than last year for parts of the Northeast.³

Figure H1. Total Demand, 1991-Current, Comparison in January for Petroleum Products



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

January 2000 highlights include:

- Finished motor gasoline **demand** and **production** reached **record highs for January** at 7.9 million barrels per day. **Imports** of finished motor gasoline were at their highest average for the month of year in a decade. End-of-month **stocks** totaled 159.0 million barrels, the **lowest January level since the data series began in 1981**.
- Demand** for distillate fuel oil reached the highest average for January in 19 years at 3.8 million barrels per day. Distillate fuel oil **production** reached the third highest average for January at 3.2 million barrels per day. **Stocks** of 102.6 million barrels left distillate inventories at their **lowest level for the month in at least 37 years**.
- Residual fuel oil **demand** and **production** averaged 740 thousand barrels per day and 594 thousand barrels per day, respectively. These were the **lowest averages for January in each category for at least 37 years**.

¹"Still Feisty U.S. Economy Hits Milestone", *Reuters*, February 1, 2000, accessible via the Internet at <http://dailynews.yahoo.com/>.

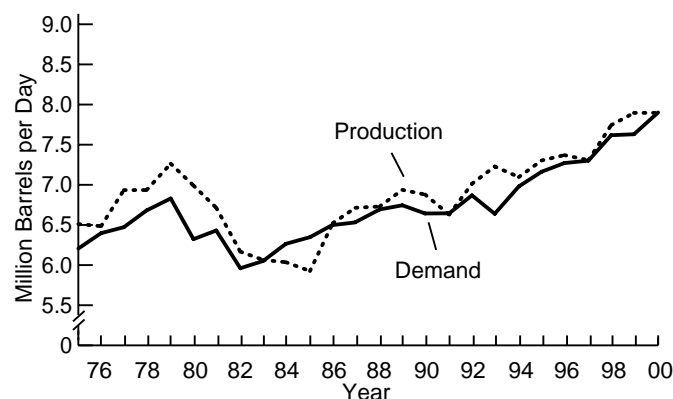
²January 2000 data are monthly-from-weekly estimates based on the Energy Information Administration's Weekly Petroleum Supply Reporting System.

³"Heating Degree Day Data Monthly Summary, Monthly Data for January 2000", *National Oceanic and Atmospheric Administration*, accessible via the Internet at <http://www.cpc.ncep.noaa.gov/>.

⁴Table 16. U.S. Retail Motor Gasoline and On-Highway Diesel Fuel Prices, 1999 to Present", *Weekly Petroleum Status Report*, February 4, 2000, p. 27.

- Kerosene-type jet fuel **demand** averaged 1.6 million barrels per day, only 66 thousand barrels per day from the January record. **Production** averaged 1.6 million barrels per day, a **record high for the month**.
- Inventories of propane ended the month at the **lowest level for January** in 30 years, 27.5 million barrels.
- Domestic **production** of crude oil averaged 6.0 million barrels per day, a slight increase compared to last January's very low average. **Imports**, of 7.8 million barrels per day, were the lowest for the month since 1997. Excluding inventory in the Strategic Petroleum Reserve (SPR), crude oil **stocks dropped to a 37-month low** at 284.5 million barrels.
- Inputs** of crude oil averaged 13.9 million barrels per day, the lowest average for the month in three years.

Figure H2. Finished Motor Gasoline, Year-to-Date January Comparisons, 1975-2000



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Motor Gasoline

Demand for finished motor gasoline averaged 7.9 million barrels per day, a **record high for the month** (Figure H2). Tight supplies and increasing crude oil prices continue to push motor gasoline prices higher. Conventional motor gasoline prices averaged \$1.32 per gallon, including taxes, compared to prices under a dollar per gallon last January (Figure H3).⁴ **Production** of finished motor gasoline also set a **record high for January** at an average of 7.9 million barrels per day. **Imports** of finished motor gasoline were the strongest they have been in January in a decade, 352 thousand barrels per day. Finished motor gasoline inventories ended the month at a very low level for this time of year following a smaller than typical build for the month. **Stocks** of finished motor gasoline ended the month at 159.0 million barrels, **26.2 million barrels less than last January**. Of the total, other finished motor gasoline accounted for 116.1 million barrels, reformulated motor gasoline accounted for 42.0 million barrels, and oxygenated motor

Table H1. Petroleum Supply Summary
(Million Barrels per Day, Except Where Noted)

Category	2000	1999	Difference ^a	1999
	Estimated January	December		January
Products Supplied	19.1	20.5	-1.4	18.9
Finished Motor Gasoline.....	7.9	8.8	-0.9	7.6
Distillate Fuel Oil.....	3.8	3.9	-0.1	3.6
Residual Fuel Oil.....	0.7	0.8	-0.1	0.8
Jet Fuel.....	1.6	1.7	-0.1	1.7
Other Petroleum Products ^b	5.1	5.2	-0.1	5.1
Crude Oil Inputs	13.9	14.4	-0.5	14.5
Operating Utilization Rate (%)	87.0	91.3	-4.3	92.5
Imports	9.9	9.9	(s)	10.2
Crude Oil	7.8	8.1	-0.3	8.3
Strategic Petroleum Reserve	(s)	(s)	(s)	0.0
Other	7.8	8.1	-0.3	8.3
Products	2.1	1.8	0.3	1.9
Finished Motor Gasoline	0.4	0.3	0.1	0.3
Distillate Fuel Oil	0.2	0.2	(s)	0.3
Residual Fuel Oil.....	0.3	0.2	0.2	0.2
Jet Fuel	0.1	0.1	(s)	0.1
Other Petroleum Products ^c	1.1	1.1	0.1	1.0
Exports	1.0	1.2	-0.3	0.9
Crude Oil	0.1	0.1	(s)	0.1
Products	0.9	1.1	-0.2	0.8
Total Net Imports	9.0	8.6	0.3	9.3
Stock Change^d	-1.0	-2.5	1.5	-0.3
Crude Oil	-0.2	-0.5	0.3	0.1
Products	-0.9	-2.0	1.2	-0.3
Total Stocks	1,479	1,486	-8	1,639
(million barrels)				
Crude Oil	853	852	2	897
Strategic Petroleum Reserve ^e	569	567	2	572
Other.....	285	284	(s)	325
Products	625	634	-9	743
Finished Motor Gasoline.....	159	152	7	185
Distillate Fuel Oil.....	103	124	-22	148
Residual Fuel Oil	36	36	(s)	44
Jet Fuel.....	43	40	3	45
Other Petroleum Products ^e	284	283	1	321

^a Difference is equal to volume for current month minus volume for previous month.

^b Includes crude oil product supplied, natural gas liquids, liquefied refinery gases (LRG's), other liquids, and all finished petroleum products except finished motor gasoline, distillate fuel oil, residual fuel oil, and jet fuel.

^c Includes natural gas liquids, liquefied refinery gases (LRG's), other liquids, and all finished petroleum products except motor gasoline, jet fuel, distillate fuel oil, and residual fuel oil.

^d A negative number indicates a decrease in stocks and a positive number indicates an increase.

^e Crude oil stocks in the SPR include non-U.S. stocks held under foreign or commercial storage agreements.

(s) = Less than 0.05 million barrels per day, or less than 0.05 percent, or less than 0.5 million barrels.

Note: Totals may not equal sum of components due to independent rounding.

Source: Energy Information Administration (EIA), 1998, *Petroleum Supply Annual*, Volume 2; appropriate issues of the *Petroleum Supply Monthly* and the *Weekly Petroleum Status Report*.

Data for the current month are preliminary estimates, based on weekly submissions. For an explanation of estimation methodology and accuracy, see Appendix A of *Weekly Petroleum Status Report* and the article, "Accuracy of Petroleum Supply Data", published in the December 1999, *Petroleum Supply Monthly*.

Table H2. U.S. Refinery Inputs, Capacities¹ and Utilization Rates: 1998-1999
(Thousand Barrels per Day, Except Where Noted)

Item	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1998												
Gross Refinery Inputs	14,661	14,262	14,901	15,301	15,464	15,671	15,705	15,806	15,040	14,222	15,095	15,169
Operating Refinery Capacity ²	15,538	15,558	15,550	15,547	15,573	15,686	15,691	15,685	15,699	15,343	15,478	15,797
Idle Capacity ³	173	158	184	144	135	135	135	143	129	537	449	154
Idle Three Months or Less	47	20	46	0	0	0	0	14	0	420	369	37
Idle More than Three Months	127	138	138	144	135	135	135	129	129	117	80	117
Operable Refinery Capacity	15,711	15,716	15,735	15,692	15,708	15,821	15,826	15,828	15,828	15,880	15,927	15,951
Utilization Rate (percent)												
Operating Capacity	94.4	91.7	95.8	98.4	99.3	99.9	100.1	100.8	95.8	92.7	97.5	96.0
Operable Capacity	93.3	90.7	94.7	97.5	98.4	99.1	99.2	99.9	95.0	89.6	94.8	95.1
1999												
Gross Refinery Inputs	14,762	14,719	14,802	15,333	15,253	15,195	15,447	15,546	15,353	14,861	15,026	14,717
Operating Refinery Capacity ²	15,953	15,955	16,139	16,140	15,984	16,137	16,134	16,134	16,164	16,118	16,124	16,124
Idle Capacity ³	200	227	131	132	288	139	153	153	153	199	204	153
Idle Three Months or Less	71	98	2	0	158	7	21	48	14	46	51	0
Idle More than Three Months	129	129	129	132	130	132	132	105	139	153	153	153
Operable Refinery Capacity	16,153	16,181	16,270	16,271	16,271	16,276	16,287	16,287	16,317	16,317	16,327	16,276
Utilization Rate (percent)												
Operating Capacity	92.5	92.3	91.7	95.0	95.4	94.2	95.7	96.4	95.0	92.2	93.2	91.3
Operable Capacity	91.4	91.0	91.0	94.2	93.7	93.4	94.8	95.4	94.1	91.1	92.0	90.4

¹Capacities are on a calendar day basis.

²Operating capacity equals the operable capacity less the total idle capacity.

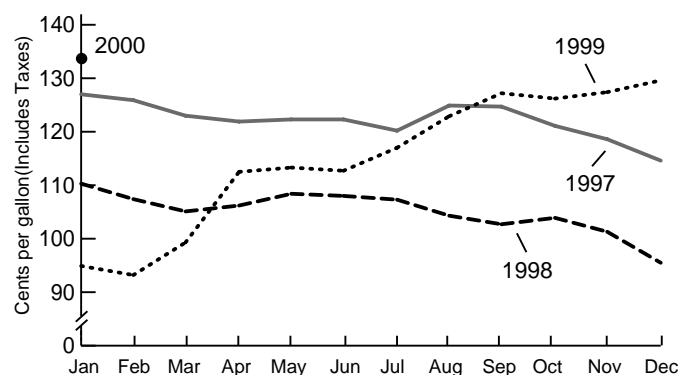
³Idle capacity is the component of operable capacity that is not in operation and not under active repair, but is capable of being placed in operation within 30 days; and capacity not in operation but is under active repair that can be completed within 90 days.

Note: Totals may not equal sum of components due to independent rounding.

Sources: Energy Information Administration (EIA), 1998, *Petroleum Supply Annual*, Volume 2, Table 16; EIA, *Petroleum Supply Monthly*, 1999 data issue, Table 28.

gasoline for 0.8 million barrels. Refineries will be under pressure to replenish motor gasoline stocks prior to the start of the summer driving season. With seasonal turnarounds already underway, refineries will need to run all out in the coming months to alleviate the tight supply situation; even then, higher imports will be required to satisfy demand.⁵

Figure H3. Retail Prices for Conventional Motor Gasoline, 1997-current



Source: Energy Information Administration, *Weekly Petroleum Status Report*, DOE/EIA-0208 (various issues).

Distillate Fuel Oil

Winter finally hit the Northeast with colder temperatures, supplying a boost to demand for heating oils in January.⁶ **Demand** for distillates reached the **highest average for this time of year in nearly two decades** at 3.8 million barrels per day. Refineries reacted by reconfiguring their production slates to maximize the production of heating oils, diesel, and jet fuel.⁷ **Production** of distillate fuel oil reached a daily average of 3.2 million barrels, only 133 thousand barrels per day from the January high. **Imports** of distillate fuel oil were in the lower range for the month at an average of 185 thousand barrels per day. Weather-related problems were behind the delay of some imports into the New York Harbor as barges were confronted with severe winds and high waves.⁸ Total **stocks** of distillate fuel oil ended the month at 102.6 million barrels. This is **the lowest month-end total since April 1997** and the **lowest for January in more than three decades**. Stocks of high-sulfur distillates, typically heating oils, dropped to a 33-month low at 40.2 million barrels. Low-sulfur distillates, typically used as transportation fuel, ended the month at 62.4 million barrels.

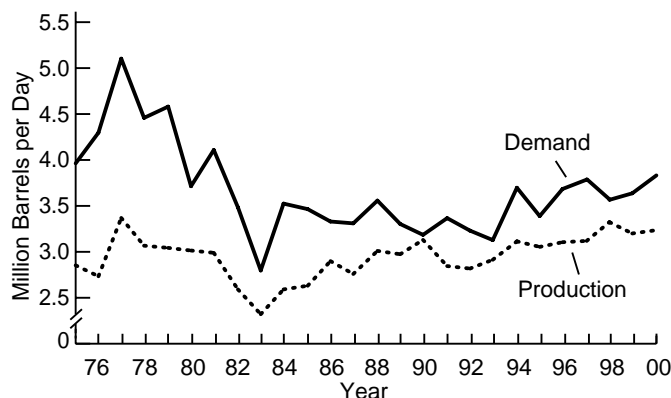
⁵"Gasoline Supply Crisis Looms For US Refiners", *Petroleum Intelligence Weekly*, January 31, 2000, p. 1 & 2.

⁶"Market Report: Gasoline Stocks Of Concern As Heating Oil Leads Market Up", *Octane Week*, February 7, 2000, p. 10.

⁷"Market Overview: Distillate Price Spike Eases, Legacy Will Linger", *Oil Price Information Service*, January 31, 2000, p. 1 & 2.

⁸"New York Harbor No.2 oil cash differentials take off again", *Platt's Oilgram Price Report*, February 4, 2000, p. 1 & 4.

Figure H4. Distillate, Year-to-Date January Comparisons, 1975-2000

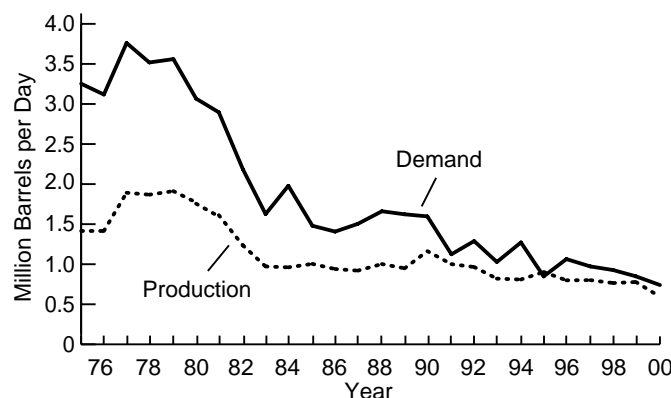


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Residual Fuel Oil

Demand for residual fuel oil averaged 740 thousand barrels per day, the lowest average for the month in more than 37 years. **Production** of residual fuel oil dropped to **one of the lowest averages in modern times** at 594 thousand barrels per day. Residual fuel oil **imports** were robust at 313 thousand barrels per day. **Stocks** ended the month with 36.3 million barrels, the lowest month-end total for January since 1996.

Figure H5. Residual, Year-to-Date January Comparisons, 1975-2000



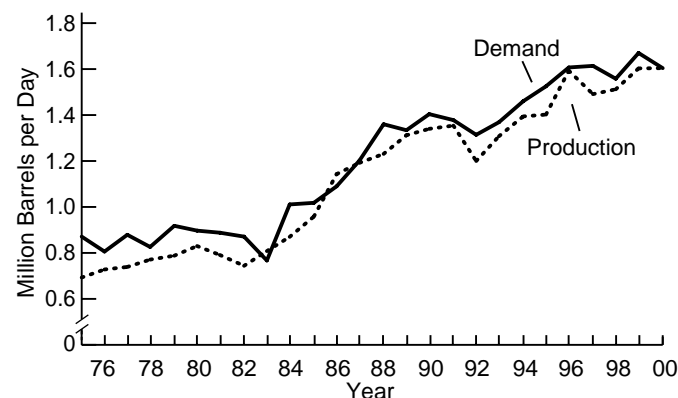
Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Kerosene-Type Jet Fuel

Demand for kerosene-type jet fuel averaged 1.6 million barrels per day, 66 thousand barrels per day below last January's record for the month. As noted earlier, refineries reacted to the high demand for distillates in January by focusing their production efforts on distillate output. **Production** of kerosene-type jet fuel

set a **record for the month** at 1.6 million barrels per day. Total jet fuel **imports**, kerosene- and naphtha-type, were strong for this time of year at 105 thousand barrels per day. **Stocks** of kerosene-type jet fuel ended the month at 43.2 million barrels.

Figure H6. Kerojet, Year-to-Date January Comparisons, 1975-2000

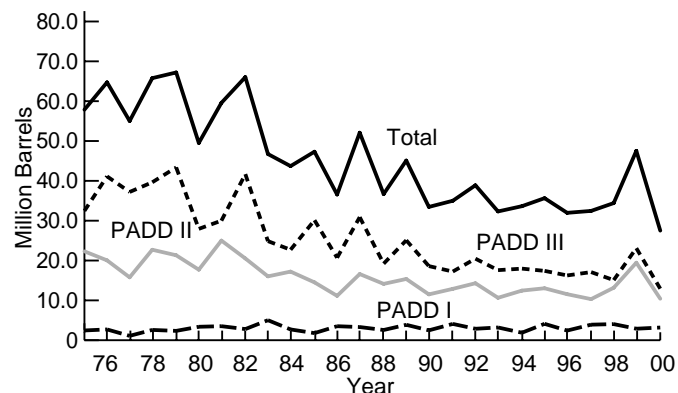


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Propane

U.S. propane inventories fell sharply lower this month, declining 15.4 million barrels to a total of 27.5 million barrels. Propane inventories ended the month at their **lowest level for January in 30 years and the lowest month-end total since February 1997**. Inventories in the Midwest dropped 8.1 million barrels in January to a total of 10.4 million barrels. Propane inventories for the Gulf Coast dropped 4.4 million barrels, ending the month at 12.9 million barrels. Along the East Coast, the decline of 1.9 million barrels left propane stocks at 3.2 million barrels.

Figure H7. Propane Stocks, Year-to-Date January Comparisons, 1975-2000



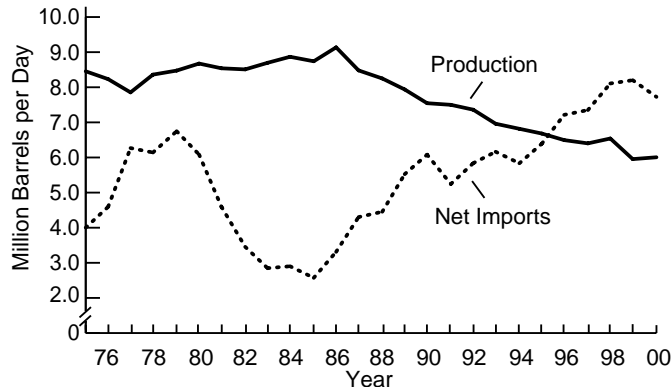
Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Crude Oil

Domestic crude oil **production** showed a **slight increase compared to last January** at 6.0 million barrels per day. Alaskan field production's average of 1.0 million barrels per day was the lowest average for this time of year since 1978. Alaskan production was hindered by problems at the Endicott Field.⁹ Further increases in crude oil prices have again limited imports into the U.S. as refineries opted to run down inventories rather than purchase prompt barrels at a premium.¹⁰ **Imports** of crude oil flowed into the U.S. at the lowest rate since December 1997, 7.8 million barrels per day. Net imports, imports minus exports, dropped to 7.7 million barrels per day.

Crude oil **stocks**, excluding inventory held in the SPR, shrank to 284.5 million barrels. This is **the lowest month-end total since December 1996** and a decline of 40.1 million barrels compared to last January. Since refineries held off purchasing new supplies of crude oil in January, they were forced to run down inventories as they worked to satisfy the robust demand for distillates.¹¹ Total crude oil inventories, including stocks held in the SPR and non-U.S. stocks held under foreign or commercial storage agreements, also dropped to the lowest month-end total in more than three years. Total crude oil inventories ended the month at 853.3 million barrels.

Figure H8. Crude Oil, Year-to-Date January Comparisons for Production and Net Imports, 1975-2000



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Refinery Operations

While refineries were facing increased margins, the slight improvements were not enough to translate into higher run rates this month.¹² Crude oil **inputs** dropped to an average of 13.9 million barrels per day (Figure H9), the lowest average since February 1997. The estimated refinery **operable utilization rate** (gross input divided by operable capacity), averaged 85.9 percent of capacity compared to 91.4 percent this time last year.

Figure H9. Year-to-Date January Comparisons for Crude Oil Inputs, 1975-2000



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

⁹"FY 2000 ANS Production", *Alaska Department of Revenue*, January 2000, accessible via the Internet at <http://www.revenue.state.ak.us/oga/>.

¹⁰"Marketview - Prompt Evidence of Shortage", *Petroleum Intelligence Weekly*, February 7, 2000, p. 6.

¹¹"Higher prices on NYMEX get further lift on reaction to APIs", *Platt's Oilgram Price Report*, February 2, 2000, p. 1.

¹²"Gulf Coast traders profit from unusual crack spread between crude and resid", *Platt's Oilgram Price Report*, January 21, 2000, p. 10.